Reduction of import duty on textile machinery items

209. SHRIMATI VANGA GEETHA: Will the Minister of TEXTILES be pleased to state:

(a) whether Government porpose to reduce import duty on about 40 textile machinery items;

(b) if so, the details therefor; and

(c) the other steps taken to help weavers?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANGOUDA R. PATIL): (a) and (b) Government receives proposals from various segments of the textile industry such as spinning, weaving, knitting/hosiery, processing, garmenting etc. from time to time for reduction in import duty on capital goods. Such proposals are examined and based on merit of each proposal, necessary changes are made in the import duty strucutre of the capital goods of textile industry.

(c) Government have been taking several steps from time to time to help the textile industry including weavers. Some of the important initiatives are:—

(i) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1.4.1999 to facilitate the bench marked modernisation and upgradation of this sector so that it can become more competitive in international trade.

(ii) Weaving, processing and garment machinery covered under TUFS, have been extended the facility of accelerated depreciation at the rate of 50%. Cost of machinery has also been reduced through Fiscal Policy measures.

(iii) With a view to encouraging backward integration, the custom duty on certain weaving machinery has been brought to 5%. A programme has also been announced to induct 50,000 shuttleless looms and to modernise 2.5 lakh powerlooms in the decentralised sector by 2004.

(iv) Eco testing labs have been set up to help the textile industry (including knitwear and shawls) to conform to the ecological requirements of importing countries.